

Businessplan

Hotel Sosua

The basic idea is to transform the Hotel into a Nursery-Home. Following, the advantages, Cost – Price calculation and surveys about this topic. The goal is to sell the project with a valuable selling proposition for the new owners.

1. Location

The Hotel is situated at the North Coast of the Dominican Republic, at the city boarder of Sosua, between two Luxury Urbanizations .The Project has an own Beach in a protected Tropical Garden. There is a separate Access from the main Road. Sosua is in a distance of 2 km and Cabarete 8 km. The International Airport Puerto Plata 12 km.

2. The Hotel

The Hotel provides 25 Rooms (in the moment 10 of them are build together into Apartment Units, but they can be easily separated again) 2 Apartments and 2 Suites. En Total 24 Unit (29 Units if separated). Additional there is a huge Private Owner Apartment with 125 m². A Kitchen with Restaurant, Billiard-Lounge, Bar, Two Story Lobby, Italian BBQ- Outdoor grill, Pool, Chapel and several Storage rooms. Total Construction Area around 1.900 m². The property, with two titles of three Lots, has a total of 3.350 m².

The Hotel was built in 1995 in a very solid Earthquake safe way. The fundaments are designed like floating devices by a German Engineer on a Lava Hill. The Hotel is designed in a colonial style. There is a huge Cistern, originally used by the Project with a continuous water flow from the local Water Company. So up to 6 Weeks without Water is no problem. There is also a well for emergencies, but not used in the last years, because it was not necessary. The Hotel has his own High Voltage Electric connection with a Transformer and a 60 KW Generator.

There is an option to construct on top of the Restaurant an extra 160 m². Recently many small changes have been made in construction and Maintenance, especially for Electricity to ensure a low cost.

The Company who owns the Object is on last standards and all Taxes are paid. The Property has no outstanding dept or mortgage is any case.

In the Area Playa Laguna this is the only permitted and licensed Hotel operator by all Authorities from Santo Domingo.

3. The change of the Hotel into a Nursery Home

To be separate from the changes in Tourism and following the opportunities of the demographic evolution worldwide, a change into a Nursery Home would be the most profitable and sustain for the Hotel. The most important Partner for this Nursery Home will be the Clinic Centro Medico Cosmopolitan of Sosua. This Cooperation makes a full and adequate service possible in both, the Medical and Hospitality Sector.

There will be a 24 hour Nurse Service with a daily doctors visit. Full Accommodation with Breakfast, Lunch and Dinner. The new Clinic is just minutes away and an emergency transport is 24/7 available. There is also an Insurance Broker which can provide a local Health insurance plan for people up to 89 Years.

The mild climatic circumstances and low cost nursery makes this an available offer for all older people who like to live better with their pension in the Caribbean.

This would be in the moment the only professional Nursery Home available at the North Coast!

4. Surveys and information

Due to the growing amount of pensioners and old people there will be in the future Nursery Homes needed which provides a cost reduced alternative to the US or Europe. In these industrial countries the patients are only a permitted time in the homes, because the health insurance is not covering long stays.

The main marked, we like to provide, are old people who still enjoy live, but need light assistance or feel safer in a professional but still holiday like environment. But also the local marked has a growth. Because there are already a lot of foreign pensioners, there are more and more who suffer and need a solution for there illnesses.

The price of a nursery home in the US has a average of 3.900,-US\$ per month. This would be our biggest advantage. To have professional care in a holiday environment for a suitable price.

5. What is to do?

To change the Hotel in according of Hospital standards the bathrooms must be renovated and brought to handicapped standards. Some changes in beds and furniture for light to heavy patient are necessary. An Elevator in the Lobby must be installed and easy access pathways for Wheelchairs added. There must be an electric connection (already a house telephone system is pre installed and can be used for that) to operate a warning system for the nurse.

Light renovation for outside and inside coloring according to the new design.

Marketing Strategy for US and Local.

6. Price Cost Calculation

Hotel Property Netto to present owners	1.600.000,- US \$
Renovation and Changes approximately ^(enclose Estimation)	400.000,- US \$
Commissions, Taxes, Lawyers and unpredictable	100.000,- US \$
Total:	2.100.000,- US \$

Income: Per Unit Brutto (Price to change)	2.320,- US \$
- Tax 16 %	320,- US \$
- Operation Cost (divided by 29 Units) ^(enclose estimation)	808,- US \$
- Clinic Cooperation ^(enclose estimation)	361,- US \$
Total Profit per Unit	831,- US \$

$$\begin{array}{rcl} 831,- \text{ US } \$ \times 29 \text{ Units} & = & 24.099,- \text{ US } \$ \\ 25.810,- \text{ US } \$ \times 12 \text{ Month} & = & 289.188,- \text{ US } \$ \\ (100 / 2.000.000,- \text{ US } \$) \times 289.188,- \text{ US } \$ & = & 14,5 \% \text{ per year} \end{array}$$

This is just a rough overview, please check the detailed estimation on the Costs!

Cost Estimation

1. Hotel Operation:

1.1 Salaries

For the operation of the Restaurant, Housekeeping and Gardening, to have a good Service, the following People are needed; Prices are calculated in Pesos:

- Kitchen Stuff: 2 Stewards	13.000,- RD\$
- Kitchen Stuff: 1 Chef, one Assistant	30.000,- RD\$
- Bar/Restaurant: 3 Waiters/Barkeepers	24.000,- RD\$
- Housekeeping: 2 Maids	16.000,- RD\$
- Gardner (day workers)	4.000,- RD\$
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Total	87.000,- RD\$

1.2 Running Costs (per month)

- Water, Electricity, TV, Phone aprox.	50.000,- RD\$
- Reinvest	110.000,- RD\$

1.3 Accommodation Cost (per day)

- Breakfast per Person	100,- RD\$
- Lunch	150,- RD\$
- Dinner	250,- RD\$
- Room accomplishment	200,- RD\$
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Total	700,- RD\$

1.4 Cost Calculation

Fix Cost per month: 247.000,- RD\$	6.767,- US \$
Fix Cost per Unit (/29)	233,- US \$
Accommodation Cost per Unit and month:	575,- US \$
Total Cost per Unit	808,- US\$

2. Cost of Renovation

The prices of the estimation are to give a overview and idea of approximately costs:

- Elevator	40.000,- US\$
- Bath renovation -5.000,- US\$ per Unit (including new ceramics, toilet, lamps and other facilities)	145.000,- US\$
- Room renovation -5.000,- US\$ per Unit (Beds, Lamps, design, TV, etc)	145.000,- US\$
- Pathways, Coloration, Electrical	20.000,- US\$
- Restaurant	10.000,- US\$
- Marketing	30.000,- US\$
- Additional (Unexpected, Hidden Costs)	10.000,- US\$
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Total	400.000,- US\$

Clinic Cooperation

Estimation of Operation Cost as Cooperation Partner with Hotel

1.) Service Provided:

To provide a good service for all people, one Doctor visiting every day. Checking the heavy patients and have 2 hour consultation time for light patients.

A 24/7 Nurse available, who service the heavy patients and give help to light patients.

Three types of assistance none, light, heavy. None assistance is only in emergencies and have a basic participation cost. Light is defined for people still able to walk or with light handicap (wheelchair), who still can use the bathroom (but with help). Heavy is defined for people who need full care for cleaning, not able to walk, not able to use the toilet facilities.

Ambulance Transportation to and from the Clinic (Max included 6 times per Year)

Provide for every type a monthly free use of doctors Material and Medicaments. Light 2.000,- RD\$, Heavy 5.000,- RD\$.

2.) Cost Calculation

Fix Costs:	- Doctor per Month (incl. Transportation)	40.000,- RD\$
	- Nurses (Aprox. Three incl. Transportation)	60.000,- RD\$
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	Total	100.000,- RD\$
	Price per Unit (divided by 15)	6.667,- RD\$
Variable Costs:	- For Heavy Patients	5.000,- RD\$
	- For light Patients	2.000,- RD\$

To Establish the Cooperation, a minimum of 15 Units must be covered. Every additional Room is due to negotiations. The Service per Unit is estimated the following:

2.1 Light Patient:

Basic Cover	185,- US \$
Add. Light Patient	55,- US \$
12 % Profit	29,- US \$
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Total Netto	269,- US \$
+ 16 % Tax	43,- US\$
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Total	312,- US\$

2.2 Heavy Patient:

Basic Cover	185,- US \$
Add. Heavy Patient	137,- US \$
12 % Profit	39,- US \$
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Total Netto	361,- US \$
+ 16 % Tax	58,- US\$
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Total	418,- US\$